

Exhibit DS-2
DESC Response to ORS 1-17

**DOMINION ENERGY SOUTH CAROLINA, INC.
OFFICE OF REGULATORY STAFF'S FIRST AND CONTINUING REQUEST
FOR PRODUCTION OF BOOKS, RECORDS AND OTHER INFORMATION
DOCKET NO. 2019-226-E**

REQUEST 1-17:

Pages 34 – 36 of the IRP discuss environmental rules. Provide a detailed list of all environmental assumptions used in conducting the IRP analysis. Provide any modeling analyses/workpapers performed to conduct such analyses, electronically with all formulae intact.

RESPONSE 1-17:

1. US Environmental Protection Agency's ("EPA") Steam Electric Effluent Limitation Guidelines ("ELG"): This regulation is anticipated to require significant capital expenditures for flue gas desulphurization ("FGD") wastewater treatment at both Wateree and Williams Stations and for modifications to limit or eliminate the discharge of ash transport water at Williams Station. Recent fuel price trends along with increased intermittent renewable generation have resulted in cyclic operation of these facilities along with reduced capacity factors. In November 2019, EPA issued a proposed rule to revise the 2015 standards. In the 2019 proposed rulemaking, EPA proposed significant changes to the rule including new effluent limits and an incentive for early retirement of existing generating units. All eight Resource Plans were impacted by the early retirement of a unit prior to an ELG upgrade or the inclusion of an estimate for ELG costs. Please see "Confidential Attachment to Response 1-17" for a confidential summary of potential technologies under consideration for Wateree and Williams Stations. The list of potential technologies and cost estimates were generated by CH2M using proprietary vendor information and equipment performance information gathered during benchmarking trips at non-SCE&G facilities. The attached summary contains confidential and sensitive information and is being provided pursuant to the terms S.C. Code Ann. § 58-4-55. The potential technologies and associated cost estimates are based on engineering evaluations conducted by CH2M prior to the 2017 ELG Postponement Rule.
2. EPA released the final version of the Affordable Clean Energy ("ACE") rule, the replacement for the Clean Power Plan ("CPP") on June 19, 2019. ACE does not impact any analysis in this IRP but is mentioned in the IRP. The rule was published on July 8, 2019, and applies to existing coal-fired power plants greater than or equal to 25 MW. Through the ACE rule, the EPA finalized the repeal of the CPP. It is also asserted that the repeal is intended to be severable, such that it will survive even if the remainder of the ACE rule is invalidated. Under the ACE rule, EPA has set the Best System of Emissions Reduction ("BSER") for existing coal-fired steam electric generating units as heat rate efficiency improvements ("HRI")

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- based on a range of "candidate technologies" and improved operating and maintenance practices that can be applied at the unit level. States are directed to determine which of the candidate technologies apply to each unit and establish standards of performance (expressed as an emissions rate in CO₂ lb/MWh) based on the degree of emission reduction achievable with the application of BSER. EPA requires that each state determine which of the candidate technologies apply to each coal-fired unit based on consideration of remaining useful plant life and other factors such as reasonable cost of the candidate technologies. The rule requires compliance at the unit level; it does not allow averaging across units at the same facility or between facilities as a compliance option. In addition, it does not allow states to use alternative carbon mitigation programs, such as a cap-and-trade program, to demonstrate compliance as part of their state plans. A steam generating unit that is subject to a federally enforceable permit limiting annual net-electric sales to one-third or less of its potential electric output, or 219,000 MWh or less can be excluded from the ACE rule. The ACE rule requires states to develop plans by July 2022. These state plans must be approved by the EPA by January 2024. If states do not submit a plan or if their submitted plan is not acceptable, the EPA will have two years to develop a federal plan. Although the ACE rule is expected to be relevant, that the rule has not been finalized in SC and no heat rate improvements that will be performed in accordance with implementation of the rule have been included in the long-term models.
3. All Resource Plans in the IRP were modeled at least one time with \$25/ton CO₂ of costs included for power plant emissions. Only where study results are indicated to have a \$25/ton CO₂ costs were these additional emission costs included. The \$25/ton CO₂ costs were used in some studies as a scenario input but did not impact the base case which used the most likely assumptions. This input is a sensitivity and not related to an existing rule or law.

Person Responsible: Andrew Walker